

SENATOR CULLAN: Mr. President, members of the Legislature, I wonder if I could address a couple questions to Senator Warner, if he would like to yield them please.

SENATOR WARNER: Certainly.

SENATOR CULLAN: Senator Warner, I am interested in the discretionary funds for both the University system and the state college system, and what restrictions are or are not placed upon the use of those discretionary funds. As I understand it, there was some question last year when discretionary funds were set aside, and then some limitations on the use of those funds might have come in the intent bill, which is to be discussed next. Are those discretionary funds--can they be used in any way, irrespective of the intent language contained in the following bills, or perhaps you could set a little more clear on that for my purposes.

SENATOR WARNER: Both the appropriation bill as well as the intent bill indicates that it would be the intent of the Legislature that these funds are used for instructional improvement programs and the program number, in the case of the state colleges, is identified. I think this was--to go back with a little history, as I understand, some years ago, there was appropriated an amount of \$60,000 to each of the individual state college campuses that was called a discretionary fund at that level for instructional improvement. Also, apparently, over the years, though, it became a source of funds for a variety of purposes, frequently or at least occasionally not related to instructional improvement. Last year, we felt that we provided adequate funds for some of these other purposes, such as utilities and a variety of things that those funds had been used for at the original concept, that these were for instructional improvement programs was a desirable type of thing to have, but that we felt that the board of trustees ought to have the flexibility to--rather than at the campus level for designating how those monies were to be used. In the case of the University of Nebraska, the discretionary fund is such, there has been some amounts put in from time to time if we have, I think, a larger amount in there this time, but I indicated it was not placed in the budget as additional funds, except for the \$250,000. The other \$400,000, in the case of the University of Nebraska, actually we just took \$100,000 from each of the campuses and placed it there. I would caution--I know that frequently when we put in--when a budget bill contains the discretionary money, someone sometimes thinks of adding an amendment designating a portion of that money for some particular purpose on the assumption we ought to pass this because it doesn't cost any money; it's just designating. I think that would be a mistake. I think they should be true discretionary funds to be used by the Board of Trustees or the Board of Regents if there are some type of program that could be used, or some emergency for instructional purposes that was not anticipated that they have the funds there on hand to take care of it.

SENATOR CULLAN: Senator Warner, I don't mean to be redundant, but I want to--I think all the parties concerned would like to have this as clear as possible, and perhaps I will give an example, and you can tell me if this would be appropriate.